



Sen. Mattie Hunter

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LRB102 11691 HLH 27252 a

1 AMENDMENT TO HOUSE BILL 2621

2 AMENDMENT NO. _____. Amend House Bill 2621, AS AMENDED,
3 by replacing everything after the enacting clause with the
4 following:

5 "Section 1. Short title. This Act may be cited as the
6 COVID-19 Affordable Housing Grant Program Act.

7 Section 5. Purpose and findings. The State of Illinois
8 faces a large shortage of decent, affordable rental housing
9 for low-income and moderate-income households. The COVID-19
10 pandemic has dramatically increased this need for affordable
11 housing. The development of affordable housing will help
12 Illinois to address the need for more housing, jobs, tax base,
13 tax revenue, and population in the State. These funds will
14 help developers to overcome increased construction costs
15 related to pandemic-created supply shortages (in lumber and
16 other materials) and to jump-start a housing recovery in

1 Illinois in the wake of the pandemic. These funds will also
2 incentivize and attract private equity and private lending and
3 will allow the State to more fully use and draw down unused
4 federal resources for affordable housing. Funding will be used
5 for the acquisition, construction, development,
6 predevelopment, or rehabilitation of affordable multifamily
7 rental development.

8 Section 10. Definitions. As used in this Act:

9 "Authority" means the Illinois Housing Development
10 Authority.

11 "Disproportionately impacted area" means a census tract or
12 comparable geographic area that meets at least one of the
13 following criteria, as determined by the Department of
14 Commerce and Economic Opportunity:

15 (1) the area has a poverty rate of at least 20%
16 according to the latest federal decennial census;

17 (2) 75% or more of the children in the area
18 participate in the federal free lunch program according to
19 reported statistics from the State Board of Education;

20 (3) at least 20% of the households in the area receive
21 assistance under the Supplemental Nutrition Assistance
22 Program; or

23 (4) the area has an average unemployment rate, as
24 determined by the Department of Employment Security, that
25 is more than 120% of the national unemployment average, as

1 determined by the United States Department of Labor, for a
2 period of at least 2 consecutive calendar years preceding
3 the date of the application.

4 "Federal tax credit" means the federal low-income housing
5 tax credit provided by Section 42 of the federal Internal
6 Revenue Code, including federal low-income housing tax credits
7 issued pursuant to 26 U.S.C. 42(h)(3) and 26 U.S.C. 42(h)(4).

8 "Qualified development" means a qualified low-income
9 housing project, as that term is defined in Section 42 of the
10 federal Internal Revenue Code of 1986, that is located in the
11 State and is determined to be eligible for the federal tax
12 credit set forth in Section 42 of the Internal Revenue Code.

13 Section 15. Grant program. Subject to appropriation for
14 this purpose, the Authority shall establish an affordable
15 housing grant program to encourage the construction and
16 rehabilitation of affordable multifamily rental housing in
17 response to the COVID-19 pandemic. Funding may be used for the
18 acquisition, construction, development, predevelopment, or
19 rehabilitation of a qualified development. The goal of the
20 grant program shall be to fund the development and
21 preservation of up to 3,500 affordable rental homes and
22 apartments by December 31, 2024. Project sponsors who wish to
23 participate in the affordable housing grant program shall
24 submit a grant application to the Authority in accordance with
25 rules adopted by the Authority. The Authority shall prescribe,

1 by rule, standards and procedures for the provision of
2 demonstration grant funds in relation to each grant
3 application.

4 Section 20. Affordable multifamily rental housing gap
5 financing. Where a qualified development has been awarded a
6 federal tax credit, the recipient may request additional gap
7 financing under this grant program as the Authority deems
8 appropriate. Through the program, the Authority shall provide
9 grants with no expectation of repayment.

10 Section 25. Prioritization efforts.

11 (a) The Authority shall make best efforts to prioritize
12 grant applications for proposed developments as follows:

13 (1) developments that are located within an area that
14 was disproportionately affected by the COVID-19 pandemic
15 based on the number of positive COVID-19 cases;

16 (2) developments involving contracts with certified
17 disadvantaged business enterprises and certified
18 underrepresented business enterprises owned by minorities,
19 women, veterans, LGBT persons, and persons with
20 disabilities during construction;

21 (3) developments involving project labor agreements
22 with local building trades; and

23 (4) developments involving contracts or subcontracts
24 with a registered apprenticeship program or

1 preapprenticeship program.

2 (b) The Authority shall balance the approval of projects
3 between those located within a disproportionately impacted
4 area as defined under this Act and those located in areas of
5 opportunity, as defined or recognized by the Authority.

6 Section 30. Annual reporting to the General Assembly.

7 (a) The Authority shall submit an annual report to the
8 General Assembly no later than March 31 of each calendar year
9 with the first annual report due no later than March 31, 2022.

10 (b) The annual report must describe the grant program's
11 administration and the number and type of projects funded as
12 of the date of the report with the following information:

13 (1) location of projects and demographics of the
14 surrounding community;

15 (2) accessibility of projects to public
16 transportation, schools, health care, grocery stores, and
17 banking institutions;

18 (3) total number of residential units developed or
19 rehabbed per project;

20 (4) total number of affordable units developed or
21 rehabbed per project;

22 (5) total number of affordable units put into service;

23 (6) number of program applications;

24 (7) number of applications awarded;

25 (8) amount of funding awarded through the program per

1 calendar year;

2 (9) amount of funding awarded through the grant
3 program to date;

4 (10) specific data for each prioritization category
5 listed under Section 25;

6 (11) delays or issues with development including, but
7 not limited to, acquisition, zoning and permits, labor,
8 and materials; and

9 (12) any compliance issues with grant recipients and
10 the corrective action taken.

11 Section 35. Repeal. This Act is repealed on April 1, 2025.

12 Section 900. The Illinois Housing Development Act is
13 amended by changing Section 7.28 and 22 as follows:

14 (20 ILCS 3805/7.28)

15 Sec. 7.28. Tax credit for donation to sponsors. The
16 Authority may administer and adopt rules for an affordable
17 housing tax donation credit program to provide tax credits for
18 donations as set forth in this Section.

19 (a) In this Section:

20 "Administrative housing agency" means either the Authority
21 or an agency of the City of Chicago.

22 "Affordable housing project" means either:

23 (1) ~~(i)~~ a rental project in which at least 25% of the

1 units have rents (including tenant-paid heat) that do not
2 exceed, on a monthly basis, maximum gross rent figures, as
3 published by the Authority, that are:

4 (i) based on data published annually by the U.S.
5 Department of Housing and Urban Development; ~~7~~

6 (ii) based on the annual income of households
7 earning 60% of the area median income; ~~7~~

8 (iii) computed using a 30% of gross monthly income
9 standard; and

10 (iv) adjusted for unit size and at least 25% of the
11 units are occupied by persons and families whose
12 incomes do not exceed 60% of the median family income
13 for the geographic area in which the residential unit
14 is located; or

15 (2) ~~(ii)~~ a unit for sale to homebuyers whose gross
16 household income is at or below (A) 60% of the area median
17 income (for taxable years beginning prior to January 1,
18 2022) or (B) 120% of the area median income (for taxable
19 years beginning on or after January 1, 2022) and who pay no
20 more than 30% of their gross household income for mortgage
21 principal, interest, property taxes, and property
22 insurance (PITI).

23 "Donation" means money, securities, or real or personal
24 property that is donated to a not-for-profit sponsor that is
25 used solely for costs associated with either (i) purchasing,
26 constructing, or rehabilitating an affordable housing project

1 in this State, (ii) an employer-assisted housing project in
2 this State, (iii) general operating support, or (iv) technical
3 assistance as defined by this Section.

4 "Employer-assisted housing project" means either
5 down-payment assistance, reduced-interest mortgages, mortgage
6 guarantee programs, rental subsidies, or individual
7 development account savings plans that are provided by
8 employers to employees to assist in securing affordable
9 housing near the workplace ~~work-place~~, that are restricted to
10 housing near the workplace ~~work-place~~, and that are restricted
11 to employees whose gross household income is at or below 120%
12 of the area median income.

13 "General operating support" means any cost incurred by a
14 sponsor that is a part of its general program costs and is not
15 limited to costs directly incurred by the affordable housing
16 project.

17 "Geographical area" means the metropolitan area or county
18 designated as an area by the federal Department of Housing and
19 Urban Development under Section 8 of the United States Housing
20 Act of 1937, as amended, for purposes of determining fair
21 market rental rates.

22 "Median income" means the incomes that are determined by
23 the federal Department of Housing and Urban Development
24 guidelines and adjusted for family size.

25 "Project" means an affordable housing project, an
26 employer-assisted housing project, general operating support,

1 or technical assistance.

2 "Sponsor" means a not-for-profit organization that (i) is
3 organized as a not-for-profit organization under the laws of
4 this State or another state and (1) for an affordable housing
5 project, has as one of its purposes the development of
6 affordable housing; (2) for an employer-assisted housing
7 project, has as one of its purposes home ownership education;
8 and (3) for a technical assistance project, has as one of its
9 purposes either the development of affordable housing or home
10 ownership education; (ii) is organized for the purpose of
11 constructing or rehabilitating affordable housing units and
12 has been issued a ruling from the Internal Revenue Service of
13 the United States Department of the Treasury that the
14 organization is exempt from income taxation under provisions
15 of the Internal Revenue Code; or (iii) is an organization
16 designated as a community development corporation by the
17 United States government under Title VII of the Economic
18 Opportunity Act of 1964.

19 "Tax credit" means a tax credit allowed under Section 214
20 of the Illinois Income Tax Act.

21 "Technical assistance" means any cost incurred by a
22 sponsor for project planning, assistance with applying for
23 financing, or counseling services provided to prospective
24 homebuyers.

25 (b) A sponsor must apply to an administrative housing
26 agency for approval of the project. The administrative housing

1 agency must reserve a specific amount of tax credits for each
2 approved project. Tax credits for general operating support
3 can only be reserved as part of a reservation of tax credits
4 for an affordable housing project, an employer-assisted
5 housing project, or technical assistance. No tax credits shall
6 be allowed for a project without a reservation of such tax
7 credits by an administrative housing agency for that project.

8 (c) The Authority must adopt rules establishing criteria
9 for eligible costs and donations, issuing and verifying tax
10 credits, and selecting projects that are eligible for a tax
11 credit.

12 (d) Tax credits for employer-assisted housing projects are
13 limited to that pool of tax credits that have been set aside
14 for employer-assisted housing. Tax credits for general
15 operating support are limited to 10% of the total tax credit
16 reservation for the related project (other than general
17 operating support) and are also limited to that pool of tax
18 credits that have been set aside for general operating
19 support. Tax credits for technical assistance are limited to
20 that pool of tax credits that have been set aside for technical
21 assistance.

22 (e) The amount of tax credits reserved by the
23 administrative housing agency for an approved project is
24 limited to \$32,850,352 in State fiscal years 2022 and 2023 ~~\$13~~
25 ~~million in the initial year~~ and shall increase by 5%
26 fiscal year thereafter ~~by 5%~~. The City of Chicago shall

1 receive 24.5% of total tax credits authorized for each fiscal
2 year. The Authority shall receive the balance of the tax
3 credits authorized for each fiscal year. The tax credits may
4 be used anywhere in this State. The tax credits have the
5 following set-asides:

6 (1) for employer-assisted housing projects, \$2
7 million; and

8 (2) for general operating support and technical
9 assistance, \$1 million.

10 The balance of the funds must be used for affordable
11 housing projects. During the first 9 months of a fiscal year,
12 if an administrative housing agency is unable to reserve the
13 tax credits set aside for the purposes described in subsection
14 (e), the administrative housing agency may reserve the tax
15 credits for any approved projects.

16 (f) The administrative housing agency that reserves tax
17 credits for an affordable housing project must record against
18 the land upon which the affordable housing project is located
19 an instrument to assure that the property maintains its
20 affordable housing compliance for a minimum of 10 years. The
21 Authority has flexibility to assure that the instrument does
22 not cause undue hardship on homeowners.

23 (Source: P.A. 92-491, eff. 8-23-01; 93-369, eff. 7-24-03.)

24 (20 ILCS 3805/22) (from Ch. 67 1/2, par. 322)

25 Sec. 22. (a) The Authority shall not have outstanding at

1 any one time bonds and notes for any of its corporate purposes
2 in an aggregate principal amount exceeding \$7,200,000,000
3 ~~\$3,600,000,000~~, excluding bonds and notes issued to refund
4 outstanding bonds and notes.

5 (b) Of the authorized aggregate principal amount of
6 \$7,200,000,000 ~~\$3,600,000,000~~ provided for by this Section,
7 the amount of \$150,000,000 shall be used for the purposes
8 specified in Sections 7.23 and 7.24 of this Act.

9 (c) Of the \$1,000,000,000 authorized by this amendatory
10 Act of 1985, an amount not less than \$100,000,000 shall be
11 reserved for financing developments which involve the
12 rehabilitation of dwelling accommodations, subject to the
13 occupancy reservation of low or moderate income persons or
14 families as provided in this Act.

15 (Source: P.A. 87-250; 87-884; 88-93.)

16 Section 905. The Illinois Procurement Code is amended by
17 changing Section 1-10 as follows:

18 (30 ILCS 500/1-10)

19 Sec. 1-10. Application.

20 (a) This Code applies only to procurements for which
21 bidders, offerors, potential contractors, or contractors were
22 first solicited on or after July 1, 1998. This Code shall not
23 be construed to affect or impair any contract, or any
24 provision of a contract, entered into based on a solicitation

1 prior to the implementation date of this Code as described in
2 Article 99, including, but not limited to, any covenant
3 entered into with respect to any revenue bonds or similar
4 instruments. All procurements for which contracts are
5 solicited between the effective date of Articles 50 and 99 and
6 July 1, 1998 shall be substantially in accordance with this
7 Code and its intent.

8 (b) This Code shall apply regardless of the source of the
9 funds with which the contracts are paid, including federal
10 assistance moneys. This Code shall not apply to:

11 (1) Contracts between the State and its political
12 subdivisions or other governments, or between State
13 governmental bodies, except as specifically provided in
14 this Code.

15 (2) Grants, except for the filing requirements of
16 Section 20-80.

17 (3) Purchase of care, except as provided in Section
18 5-30.6 of the Illinois Public Aid Code and this Section.

19 (4) Hiring of an individual as employee and not as an
20 independent contractor, whether pursuant to an employment
21 code or policy or by contract directly with that
22 individual.

23 (5) Collective bargaining contracts.

24 (6) Purchase of real estate, except that notice of
25 this type of contract with a value of more than \$25,000
26 must be published in the Procurement Bulletin within 10

1 calendar days after the deed is recorded in the county of
2 jurisdiction. The notice shall identify the real estate
3 purchased, the names of all parties to the contract, the
4 value of the contract, and the effective date of the
5 contract.

6 (7) Contracts necessary to prepare for anticipated
7 litigation, enforcement actions, or investigations,
8 provided that the chief legal counsel to the Governor
9 shall give his or her prior approval when the procuring
10 agency is one subject to the jurisdiction of the Governor,
11 and provided that the chief legal counsel of any other
12 procuring entity subject to this Code shall give his or
13 her prior approval when the procuring entity is not one
14 subject to the jurisdiction of the Governor.

15 (8) (Blank).

16 (9) Procurement expenditures by the Illinois
17 Conservation Foundation when only private funds are used.

18 (10) (Blank).

19 (11) Public-private agreements entered into according
20 to the procurement requirements of Section 20 of the
21 Public-Private Partnerships for Transportation Act and
22 design-build agreements entered into according to the
23 procurement requirements of Section 25 of the
24 Public-Private Partnerships for Transportation Act.

25 (12) (A) Contracts for legal, financial, and other
26 professional and artistic services entered into ~~on or~~

1 ~~before December 31, 2018~~ by the Illinois Finance Authority
2 in which the State of Illinois is not obligated. Such
3 contracts shall be awarded through a competitive process
4 authorized by the members ~~Board~~ of the Illinois Finance
5 Authority and are subject to Sections 5-30, 20-160, 50-13,
6 50-20, 50-35, and 50-37 of this Code, as well as the final
7 approval by the members ~~Board~~ of the Illinois Finance
8 Authority of the terms of the contract.

9 (B) Contracts for legal and financial services entered
10 into by the Illinois Housing Development Authority in
11 connection with the issuance of bonds in which the State
12 of Illinois is not obligated. Such contracts shall be
13 awarded through a competitive process authorized by the
14 members of the Illinois Housing Development Authority and
15 are subject to Sections 5-30, 20-160, 50-13, 50-20, 50-35,
16 and 50-37 of this Code, as well as the final approval by
17 the members of the Illinois Housing Development Authority
18 of the terms of the contract.

19 (13) Contracts for services, commodities, and
20 equipment to support the delivery of timely forensic
21 science services in consultation with and subject to the
22 approval of the Chief Procurement Officer as provided in
23 subsection (d) of Section 5-4-3a of the Unified Code of
24 Corrections, except for the requirements of Sections
25 20-60, 20-65, 20-70, and 20-160 and Article 50 of this
26 Code; however, the Chief Procurement Officer may, in

1 writing with justification, waive any certification
2 required under Article 50 of this Code. For any contracts
3 for services which are currently provided by members of a
4 collective bargaining agreement, the applicable terms of
5 the collective bargaining agreement concerning
6 subcontracting shall be followed.

7 On and after January 1, 2019, this paragraph (13),
8 except for this sentence, is inoperative.

9 (14) Contracts for participation expenditures required
10 by a domestic or international trade show or exhibition of
11 an exhibitor, member, or sponsor.

12 (15) Contracts with a railroad or utility that
13 requires the State to reimburse the railroad or utilities
14 for the relocation of utilities for construction or other
15 public purpose. Contracts included within this paragraph
16 (15) shall include, but not be limited to, those
17 associated with: relocations, crossings, installations,
18 and maintenance. For the purposes of this paragraph (15),
19 "railroad" means any form of non-highway ground
20 transportation that runs on rails or electromagnetic
21 guideways and "utility" means: (1) public utilities as
22 defined in Section 3-105 of the Public Utilities Act, (2)
23 telecommunications carriers as defined in Section 13-202
24 of the Public Utilities Act, (3) electric cooperatives as
25 defined in Section 3.4 of the Electric Supplier Act, (4)
26 telephone or telecommunications cooperatives as defined in

1 Section 13-212 of the Public Utilities Act, (5) rural
2 water or waste water systems with 10,000 connections or
3 less, (6) a holder as defined in Section 21-201 of the
4 Public Utilities Act, and (7) municipalities owning or
5 operating utility systems consisting of public utilities
6 as that term is defined in Section 11-117-2 of the
7 Illinois Municipal Code.

8 (16) Procurement expenditures necessary for the
9 Department of Public Health to provide the delivery of
10 timely newborn screening services in accordance with the
11 Newborn Metabolic Screening Act.

12 (17) Procurement expenditures necessary for the
13 Department of Agriculture, the Department of Financial and
14 Professional Regulation, the Department of Human Services,
15 and the Department of Public Health to implement the
16 Compassionate Use of Medical Cannabis Program and Opioid
17 Alternative Pilot Program requirements and ensure access
18 to medical cannabis for patients with debilitating medical
19 conditions in accordance with the Compassionate Use of
20 Medical Cannabis Program Act.

21 (18) This Code does not apply to any procurements
22 necessary for the Department of Agriculture, the
23 Department of Financial and Professional Regulation, the
24 Department of Human Services, the Department of Commerce
25 and Economic Opportunity, and the Department of Public
26 Health to implement the Cannabis Regulation and Tax Act if

1 the applicable agency has made a good faith determination
2 that it is necessary and appropriate for the expenditure
3 to fall within this exemption and if the process is
4 conducted in a manner substantially in accordance with the
5 requirements of Sections 20-160, 25-60, 30-22, 50-5,
6 50-10, 50-10.5, 50-12, 50-13, 50-15, 50-20, 50-21, 50-35,
7 50-36, 50-37, 50-38, and 50-50 of this Code; however, for
8 Section 50-35, compliance applies only to contracts or
9 subcontracts over \$100,000. Notice of each contract
10 entered into under this paragraph (18) that is related to
11 the procurement of goods and services identified in
12 paragraph (1) through (9) of this subsection shall be
13 published in the Procurement Bulletin within 14 calendar
14 days after contract execution. The Chief Procurement
15 Officer shall prescribe the form and content of the
16 notice. Each agency shall provide the Chief Procurement
17 Officer, on a monthly basis, in the form and content
18 prescribed by the Chief Procurement Officer, a report of
19 contracts that are related to the procurement of goods and
20 services identified in this subsection. At a minimum, this
21 report shall include the name of the contractor, a
22 description of the supply or service provided, the total
23 amount of the contract, the term of the contract, and the
24 exception to this Code utilized. A copy of any or all of
25 these contracts shall be made available to the Chief
26 Procurement Officer immediately upon request. The Chief

1 Procurement Officer shall submit a report to the Governor
2 and General Assembly no later than November 1 of each year
3 that includes, at a minimum, an annual summary of the
4 monthly information reported to the Chief Procurement
5 Officer. This exemption becomes inoperative 5 years after
6 June 25, 2019 (the effective date of Public Act 101-27)
7 ~~this amendatory Act of the 101st General Assembly.~~

8 Notwithstanding any other provision of law, for contracts
9 entered into on or after October 1, 2017 under an exemption
10 provided in any paragraph of this subsection (b), except
11 paragraph (1), (2), or (5), each State agency shall post to the
12 appropriate procurement bulletin the name of the contractor, a
13 description of the supply or service provided, the total
14 amount of the contract, the term of the contract, and the
15 exception to the Code utilized. The chief procurement officer
16 shall submit a report to the Governor and General Assembly no
17 later than November 1 of each year that shall include, at a
18 minimum, an annual summary of the monthly information reported
19 to the chief procurement officer.

20 (c) This Code does not apply to the electric power
21 procurement process provided for under Section 1-75 of the
22 Illinois Power Agency Act and Section 16-111.5 of the Public
23 Utilities Act.

24 (d) Except for Section 20-160 and Article 50 of this Code,
25 and as expressly required by Section 9.1 of the Illinois
26 Lottery Law, the provisions of this Code do not apply to the

1 procurement process provided for under Section 9.1 of the
2 Illinois Lottery Law.

3 (e) This Code does not apply to the process used by the
4 Capital Development Board to retain a person or entity to
5 assist the Capital Development Board with its duties related
6 to the determination of costs of a clean coal SNG brownfield
7 facility, as defined by Section 1-10 of the Illinois Power
8 Agency Act, as required in subsection (h-3) of Section 9-220
9 of the Public Utilities Act, including calculating the range
10 of capital costs, the range of operating and maintenance
11 costs, or the sequestration costs or monitoring the
12 construction of clean coal SNG brownfield facility for the
13 full duration of construction.

14 (f) (Blank).

15 (g) (Blank).

16 (h) This Code does not apply to the process to procure or
17 contracts entered into in accordance with Sections 11-5.2 and
18 11-5.3 of the Illinois Public Aid Code.

19 (i) Each chief procurement officer may access records
20 necessary to review whether a contract, purchase, or other
21 expenditure is or is not subject to the provisions of this
22 Code, unless such records would be subject to attorney-client
23 privilege.

24 (j) This Code does not apply to the process used by the
25 Capital Development Board to retain an artist or work or works
26 of art as required in Section 14 of the Capital Development

1 Board Act.

2 (k) This Code does not apply to the process to procure
3 contracts, or contracts entered into, by the State Board of
4 Elections or the State Electoral Board for hearing officers
5 appointed pursuant to the Election Code.

6 (l) This Code does not apply to the processes used by the
7 Illinois Student Assistance Commission to procure supplies and
8 services paid for from the private funds of the Illinois
9 Prepaid Tuition Fund. As used in this subsection (l), "private
10 funds" means funds derived from deposits paid into the
11 Illinois Prepaid Tuition Trust Fund and the earnings thereon.

12 (Source: P.A. 100-43, eff. 8-9-17; 100-580, eff. 3-12-18;
13 100-757, eff. 8-10-18; 100-1114, eff. 8-28-18; 101-27, eff.
14 6-25-19; 101-81, eff. 7-12-19; 101-363, eff. 8-9-19; revised
15 9-17-19.)

16 Section 915. The Illinois Income Tax Act is amended by
17 changing Section 214 as follows:

18 (35 ILCS 5/214)

19 Sec. 214. Tax credit for affordable housing donations.

20 (a) Beginning with taxable years ending on or after
21 December 31, 2001 and until the taxable year ending on
22 December 31, 2026 ~~December 31, 2021~~, a taxpayer who makes a
23 donation under Section 7.28 of the Illinois Housing
24 Development Act is entitled to a credit against the tax

1 imposed by subsections (a) and (b) of Section 201 in an amount
2 equal to 50% of the value of the donation. Partners,
3 shareholders of subchapter S corporations, and owners of
4 limited liability companies (if the limited liability company
5 is treated as a partnership for purposes of federal and State
6 income taxation) are entitled to a credit under this Section
7 to be determined in accordance with the determination of
8 income and distributive share of income under Sections 702 and
9 703 and subchapter S of the Internal Revenue Code. Persons or
10 entities not subject to the tax imposed by subsections (a) and
11 (b) of Section 201 and who make a donation under Section 7.28
12 of the Illinois Housing Development Act are entitled to a
13 credit as described in this subsection and may transfer that
14 credit as described in subsection (c).

15 (b) If the amount of the credit exceeds the tax liability
16 for the year, the excess may be carried forward and applied to
17 the tax liability of the 5 taxable years following the excess
18 credit year. The tax credit shall be applied to the earliest
19 year for which there is a tax liability. If there are credits
20 for more than one year that are available to offset a
21 liability, the earlier credit shall be applied first.

22 (c) The transfer of the tax credit allowed under this
23 Section may be made (i) to the purchaser of land that has been
24 designated solely for affordable housing projects in
25 accordance with the Illinois Housing Development Act or (ii)
26 to another donor who has also made a donation in accordance

1 with Section 7.28 of the Illinois Housing Development Act.

2 (d) A taxpayer claiming the credit provided by this
3 Section must maintain and record any information that the
4 Department may require by regulation regarding the project for
5 which the credit is claimed. When claiming the credit provided
6 by this Section, the taxpayer must provide information
7 regarding the taxpayer's donation to the project under the
8 Illinois Housing Development Act.

9 (Source: P.A. 99-915, eff. 12-20-16.)

10 Section 920. The Property Tax Code is amended by changing
11 Section 10-260 and by adding Section 15-178 as follows:

12 (35 ILCS 200/10-260)

13 Sec. 10-260. Low-income housing. In determining the fair
14 cash value of property receiving benefits from the Low-Income
15 Housing Tax Credit authorized by Section 42 of the Internal
16 Revenue Code, 26 U.S.C. 42, emphasis shall be given to the
17 income approach, ~~except in those circumstances where another~~
18 ~~method is clearly more appropriate.~~

19 In counties with more than 3,000,000 inhabitants, during a
20 general reassessment year in accordance with Section 9-220 or
21 at such other time that a property is reassessed, to determine
22 the fair cash value of any low-income housing project that
23 qualifies for the Low-Income Housing Tax Credit under Section
24 42 of the Internal Revenue Code: (i) in assessing any building

1 with 7 or more units, the assessment officer must consider the
2 actual or projected net operating income attributable to the
3 property, capitalized at rates for similarly encumbered
4 Section 42 properties; and (ii) in assessing any building with
5 6 units or less, the assessment officer, prior to finalizing
6 and certifying assessments to the Board of Review, shall
7 reassess the building considering the actual or projected net
8 operating income attributable to the property, capitalized at
9 rates for similarly encumbered Section 42 properties. The
10 capitalization rate for items (i) and (ii) shall be one that
11 reflects the prevailing cost of capital for other types of
12 similarly encumbered Section 42 properties in the geographic
13 market in which the low-income housing project is located.

14 All low-income housing projects that seek to be assessed
15 in accordance with the provisions of this Section shall
16 certify to the appropriate local assessment officer that the
17 owner or owners qualify for the Low-Income Housing Tax Credit
18 under Section 42 of the Internal Revenue Code for the
19 property, in a form prescribed by that assessment officer.

20 (Source: P.A. 91-502, eff. 8-13-99; 92-16, eff. 6-28-01.)

21 (35 ILCS 200/15-178 new)

22 Sec. 15-178. Reduction in assessed value for affordable
23 rental housing construction or rehabilitation.

24 (a) The General Assembly finds that there is a shortage of
25 high quality affordable rental homes for low-income and

1 very-low-income households throughout Illinois; that owners
2 and developers of rental housing face significant challenges
3 building newly constructed apartments or undertaking
4 rehabilitation of existing properties that results in rents
5 that are affordable for low-income and very-low-income
6 households; and that it will help Cook County and other parts
7 of Illinois address the extreme shortage of affordable rental
8 housing by developing a statewide policy to determine the
9 assessed value for newly constructed and rehabilitated
10 affordable rental housing that both encourages investment and
11 incentivizes property owners to keep rents affordable.

12 (b) Each chief county assessment officer shall implement
13 special assessment programs to reduce the assessed value of
14 all eligible newly constructed residential real property or
15 qualifying rehabilitation to all eligible existing residential
16 real property in accordance with subsection (c) for 10 taxable
17 years after the newly constructed residential real property or
18 improvements to existing residential real property are put in
19 service. Any county with less than 3,000,000 inhabitants may
20 decide not to implement one or both of the special assessment
21 programs defined in subparagraph (1) of subsection (c) of this
22 Section and subparagraph (2) of subsection (c) of this Section
23 upon passage of an ordinance by a majority vote of the county
24 board. Subsequent to a vote to opt out of this special
25 assessment program, any county with less than 3,000,000
26 inhabitants may decide to implement one or both of the special

1 assessment programs defined in subparagraph (1) of subsection
2 (c) of this Section and subparagraph (2) of subsection (c) of
3 this Section upon passage of an ordinance by a majority vote of
4 the county board. Property is eligible for the special
5 assessment program if and only if all of the following factors
6 have been met:

7 (1) at the conclusion of the new construction or
8 qualifying rehabilitation, the property consists of a
9 newly constructed multifamily building containing 7 or
10 more rental dwelling units or an existing multifamily
11 building that has undergone qualifying rehabilitation
12 resulting in 7 or more rental dwelling units; and

13 (2) the property meets the application requirements
14 defined in subsection (f).

15 (c) For those counties that are required to implement the
16 special assessment program and do not opt out of such special
17 assessment program, the chief county assessment officer for
18 that county shall require that residential real property is
19 eligible for the special assessment program if and only if one
20 of the additional factors have been met:

21 (1) except as defined in subparagraphs (E), (F), and
22 (G) of paragraph (1) of subsection (f) of this Section,
23 prior to the newly constructed residential real property
24 or improvements to existing residential real property
25 being put in service, the owner of the residential real
26 property commits that, for a period of 10 years, at least

1 15% of the multifamily building's units will have rents as
2 defined in this Section that are at or below maximum rents
3 and are occupied by households with household incomes at
4 or below maximum income limits; or

5 (2) except as defined in subparagraphs (E), (F), and
6 (G) of paragraph (1) of subsection (f) of this Section,
7 prior to the newly constructed residential real property
8 or improvements to existing residential real property
9 located in a low affordability community being put in
10 service, the owner of the residential real property
11 commits that, for a period of 30 years after the newly
12 constructed residential real property or improvements to
13 existing residential real property are put in service, at
14 least 20% of the multifamily building's units will have
15 rents as defined in this Section that are at or below
16 maximum rents and are occupied by households with
17 household incomes at or below maximum income limits.

18 If a reduction in assessed value is granted under one
19 special assessment program provided for in this Section, then
20 that same residential real property is not eligible for an
21 additional special assessment program under this Section at
22 the same time.

23 (d) The amount of the reduction in assessed value for
24 residential real property meeting the conditions set forth in
25 subparagraph (1) of subsection (c) shall be calculated as
26 follows:

1 (1) if the owner of the residential real property
2 commits for a period of at least 10 years that at least 15%
3 but fewer than 35% of the multifamily building's units
4 have rents at or below maximum rents and are occupied by
5 households with household incomes at or below maximum
6 income limits, the assessed value of the property used to
7 calculate the tax bill shall be reduced by an amount equal
8 to 25% of the assessed value of the property as determined
9 by the assessor for the property in the current taxable
10 year for the newly constructed residential real property
11 or based on the improvements to an existing residential
12 real property; and

13 (2) if the owner of the residential real property
14 commits for a period of at least 10 years that at least 35%
15 of the multifamily building's units have rents at or below
16 maximum rents and are occupied by households with
17 household incomes at or below maximum income limits, the
18 assessed value of the property used to calculate the tax
19 bill shall be reduced by an amount equal to 35% of the
20 assessed value of the property as determined by the
21 assessor for the property in the current assessment year
22 for the newly constructed residential real property or
23 based on the improvements to an existing residential real
24 property.

25 (e) The amount of the reduction for residential real
26 property meeting the conditions set forth in subparagraph (2)

1 of subsection (c) shall be calculated as follows:

2 (1) for the first, second, and third taxable year
3 after the residential real property is placed in service,
4 the residential real property is entitled to a reduction
5 in its assessed value in an amount equal to the difference
6 between the assessed value in the year for which the
7 incentive is sought and the assessed value for the
8 residential real property in the base year;

9 (2) for the fourth, fifth, and sixth taxable year
10 after the residential real property is placed in service,
11 the property is entitled to a reduction in its assessed
12 value in an amount equal to 80% of the difference between
13 the assessed value in the year for which the incentive is
14 sought and the assessed value for the residential real
15 property in the base year;

16 (3) for the seventh, eighth, and ninth taxable year
17 after the property is placed in service, the residential
18 real property is entitled to a reduction in its assessed
19 value in an amount equal to 60% of the difference between
20 the assessed value in the year for which the incentive is
21 sought and the assessed value for the residential real
22 property in the base year;

23 (4) for the tenth, eleventh, and twelfth taxable year
24 after the residential real property is placed in service,
25 the residential real property is entitled to a reduction
26 in its assessed value in an amount equal to 40% of the

1 difference between the assessed value in the year for
2 which the incentive is sought and the assessed value for
3 the residential real property in the base year; and

4 (5) for the thirteenth through the thirtieth taxable
5 year after the residential real property is placed in
6 service, the residential real property is entitled to a
7 reduction in its assessed value in an amount equal to 20%
8 of the difference between the assessed value in the year
9 for which the incentive is sought and the assessed value
10 for the residential real property in the base year.

11 (f) Application requirements.

12 (1) In order to receive the reduced valuation under
13 this Section, the owner must submit an application
14 containing the following information to the chief county
15 assessment officer for review in the form and by the date
16 required by the chief county assessment officer:

17 (A) the owner's name;

18 (B) the postal address and permanent index number
19 or numbers of the parcel or parcels for which the owner
20 is applying to receive reduced valuation under this
21 Section;

22 (C) a deed or other instrument conveying the
23 parcel or parcels to the current owner;

24 (D) written evidence that the new construction or
25 qualifying rehabilitation has been completed with
26 respect to the residential real property, including,

1 but not limited to, copies of building permits, a
2 notarized contractor's affidavit, and photographs of
3 the interior and exterior of the building after new
4 construction or rehabilitation is completed;

5 (E) written evidence that the residential real
6 property meets local building codes, or if there are
7 no local building codes, Housing Quality Standards, as
8 determined by the United States Department of Housing
9 and Urban Development;

10 (F) a list identifying the affordable units in
11 residential real property and a written statement that
12 the affordable units are comparable to the market rate
13 units in terms of unit type, number of bedrooms per
14 unit, quality of exterior appearance, energy
15 efficiency, and overall quality of construction;

16 (G) a written schedule certifying the rents in
17 each affordable unit and a written statement that
18 these rents do not exceed the maximum rents allowable
19 for the area in which the residential real property is
20 located;

21 (H) documentation from the administering agency
22 verifying the owner's participation in a qualifying
23 income-based rental subsidy program as defined in
24 subsection (e) of this Section if units receiving
25 rental subsidies are to be counted among the
26 affordable units in order to meet the thresholds

1 defined in this Section;

2 (I) a written statement identifying the household
3 income for every household occupying an affordable
4 unit and certifying that the household income does not
5 exceed the maximum income limits allowable for the
6 area in which the residential real property is
7 located;

8 (J) a written statement that the owner has
9 verified and retained documentation of household
10 income for every household occupying an affordable
11 unit; and

12 (K) any additional information consistent with
13 this Section as reasonably required by the chief
14 county assessment officer, including, but not limited
15 to, any information necessary to ensure compliance
16 with applicable local ordinances and to ensure the
17 owner is complying with the provisions of subparagraph
18 (F) of paragraph (4) of subsection (d) of this
19 Section.

20 (1.1) In order for a development to receive the
21 reduced valuation under subsection (e), the owner must
22 provide evidence to the county assessor's office of a
23 fully executed project labor agreement entered into with
24 the applicable local building trades council, prior to
25 commencement of any and all construction, building,
26 renovation, demolition, or any material change to the

1 structure or land.

2 (2) The application requirements contained in
3 paragraph (1) of subsection (f) are continuing
4 requirements for the duration of the reduction in assessed
5 value received and may be annually or periodically
6 verified by the chief county assessment officer for the
7 county whereby the benefit is being issued.

8 (3) In lieu of submitting an application containing
9 the information prescribed in paragraph (1) of subsection
10 (f), the chief county assessment officer may allow for
11 submission of a substantially similar certification
12 granted by the Illinois Housing Development Authority or a
13 comparable local authority provided that the chief county
14 assessment officer independently verifies the veracity of
15 the certification with the Illinois Housing Development
16 Authority or comparable local authority.

17 (4) The chief county assessment officer shall notify
18 the owner as to whether or not the property meets the
19 requirements of this Section. If the property does not
20 meet the requirements of this Section, the chief county
21 assessment officer shall provide written notice of any
22 deficiencies to the owner, who shall then have 30 days
23 from the date of notification to provide supplemental
24 information showing compliance with this Section. The
25 chief county assessment officer shall, in its discretion,
26 grant additional time to cure any deficiency. If the owner

1 does not exercise this right to cure the deficiency, or if
2 the information submitted, in the sole judgment of the
3 chief county assessment officer, is insufficient to meet
4 the requirements of this Section, the chief county
5 assessment officer shall provide a written explanation of
6 the reasons for denial.

7 (5) The chief county assessment officer may charge a
8 reasonable application fee to offset the administrative
9 expenses associated with the program.

10 (6) The reduced valuation conferred by this Section is
11 limited as follows:

12 (A) The owner is eligible to apply for the reduced
13 valuation conferred by this Section beginning in the
14 first assessment year after the effective date of this
15 amendatory Act of the 102nd General Assembly through
16 December 31, 2027. If approved, the reduction will be
17 effective for the current assessment year, which will
18 be reflected in the tax bill issued in the following
19 calendar year. Owners that are approved for the
20 reduced valuation under paragraph (1) of subsection
21 (c) of this Section before December 31, 2027 shall, at
22 minimum, be eligible for annual renewal of the reduced
23 valuation during an initial 10-year period if annual
24 certification requirements are met for each of the 10
25 years, as described in subparagraph (B) of paragraph
26 (4) of subsection (d) of this Section.

1 (B) Property receiving a reduction outlined in
2 paragraph (1) of subsection (c) of this Section shall
3 continue to be eligible for an initial period of up to
4 10 years if annual certification requirements are met
5 for each of the 10 years, but shall be extended for up
6 to 2 additional 10-year periods with annual renewals
7 if the owner continues to meet the requirements of
8 this Section, including annual certifications, and
9 excluding the requirements regarding new construction
10 or qualifying rehabilitation defined in subparagraph
11 (D) of paragraph (1) of this subsection.

12 (C) The annual certification materials in the year
13 prior to final year of eligibility for the reduction
14 in assessed value must include a dated copy of the
15 written notice provided to tenants informing them of
16 the date of the termination if the owner is not seeking
17 a renewal.

18 (D) If the property is sold or transferred, the
19 purchaser or transferee must comply with all
20 requirements of this Section, excluding the
21 requirements regarding new construction or qualifying
22 rehabilitation defined in subparagraph (D) of
23 paragraph (1) of this subsection, in order to continue
24 receiving the reduction in assessed value. Purchasers
25 and transferees who comply with all requirements of
26 this Section excluding the requirements regarding new

1 construction or qualifying rehabilitation defined in
2 subparagraph (D) of paragraph (1) of this subsection
3 are eligible to apply for renewal on the schedule set
4 by the initial application.

5 (E) The owner may apply for the reduced valuation
6 if the residential real property meets all
7 requirements of this Section and the newly constructed
8 residential real property or improvements to existing
9 residential real property were put in service on or
10 after January 1, 2015. However, the initial 10-year
11 eligibility period or 30-year eligibility period,
12 depending on the applicable program, shall be reduced
13 by the number of years between the placed in service
14 date and the date the owner first receives this
15 reduced valuation.

16 (F) The owner may apply for the reduced valuation
17 within 2 years after the newly constructed residential
18 real property or improvements to existing residential
19 real property are put in service. However, the initial
20 10-year eligibility period or 30-year eligibility
21 period, depending on the applicable program, shall be
22 reduced for the number of years between the placed in
23 service date and the date the owner first receives
24 this reduced valuation.

25 (G) Owners of a multifamily building receiving a
26 reduced valuation through the Cook County Class 9

1 program during the year in which this amendatory Act
2 of the 102nd General Assembly takes effect shall be
3 deemed automatically eligible for the reduced
4 valuation defined in paragraph (1) of subsection (c)
5 of this Section in terms of meeting the criteria for
6 new construction or substantial rehabilitation for a
7 specific multifamily building regardless of when the
8 newly constructed residential real property or
9 improvements to existing residential real property
10 were put in service. If a Cook County Class 9 owner had
11 Class 9 status revoked on or after January 1, 2017 but
12 can provide documents sufficient to prove that the
13 revocation was in error or any deficiencies leading to
14 the revocation have been cured, the chief county
15 assessment officer may deem the owner to be eligible.
16 However, owners may not receive both the reduced
17 valuation under this Section and the reduced valuation
18 under the Cook County Class 9 program in any single
19 assessment year. In addition, the number of years
20 during which an owner has participated in the Class 9
21 program shall count against the 3 10-year periods of
22 eligibility for the reduced valuation as defined in
23 subparagraph (1) of subsection (c) of this Section.

24 (H) At the completion of the assessment reduction
25 period described in this Section: the entire parcel
26 will be assessed as otherwise provided by law.

1 (e) As used in this Section:

2 "Affordable units" means units that have rents that do not
3 exceed the maximum rents as defined in this Section.

4 "Assessed value for the residential real property in the
5 base year" means the value in effect at the end of the taxable
6 year prior to the latter of: (1) the date of initial
7 application; or (2) the date on which 20% of the total number
8 of units in the property are occupied by eligible tenants
9 paying eligible rent under this Section.

10 "Household income" includes the annual income for all the
11 people who occupy a housing unit that is anticipated to be
12 received from a source outside of the family during the
13 12-month period following admission or the annual
14 recertification, including related family members and all the
15 unrelated people who share the housing unit. Household income
16 includes the total of the following income sources: wages,
17 salaries and tips before any payroll deductions; net business
18 income; interest and dividends; payments in lieu of earnings,
19 such as unemployment and disability compensation, worker's
20 compensation and severance pay; Social Security income,
21 including lump sum payments; payments from insurance policies,
22 annuities, pensions, disability benefits and other types of
23 periodic payments, alimony, child support, and other regular
24 monetary contributions; and public assistance, except for
25 assistance from the Supplemental Nutrition Assistance Program
26 (SNAP). "Household income" does not include: earnings of

1 children under age 18; temporary income such as cash gifts;
2 reimbursement for medical expenses; lump sums from
3 inheritance, insurance payments, settlements for personal or
4 property losses; student financial assistance paid directly to
5 the student or to an educational institution; foster child
6 care payments; receipts from government-funded training
7 programs; assistance from the Supplemental Nutrition
8 Assistance Program (SNAP).

9 "Low affordability community" means (1) a municipality or
10 jurisdiction with less than 1,000,000 inhabitants in which 40%
11 or less of its total year-round housing units are affordable,
12 as determined by the Illinois Housing Development Authority
13 during the exemption determination process under the
14 Affordable Housing Planning and Appeal Act; (2) "D" zoning
15 districts as now or hereafter designated in the Chicago Zoning
16 Ordinance; or (3) a jurisdiction located in a municipality
17 with 1,000,000 or more inhabitants that has been designated as
18 a low affordability community by passage of a local ordinance
19 by that municipality, specifying the census tract or property
20 by permanent index number or numbers.

21 "Maximum income limits" means the maximum regular income
22 limits for 60% of area median income for the geographic area in
23 which the multifamily building is located for multifamily
24 programs as determined by the United States Department of
25 Housing and Urban Development and published annually by the
26 Illinois Housing Development Authority.

1 "Maximum rent" means the maximum regular rent for 60% of
2 the area median income for the geographic area in which the
3 multifamily building is located for multifamily programs as
4 determined by the United States Department of Housing and
5 Urban Development and published annually by the Illinois
6 Housing Development Authority. To be eligible for the reduced
7 valuation defined in this Section, maximum rents are to be
8 consistent with the Illinois Housing Development Authority's
9 rules; or if the owner is leasing an affordable unit to a
10 household with an income at or below the maximum income limit
11 who is participating in qualifying income-based rental subsidy
12 program, "maximum rent" means the maximum rents allowable
13 under the guidelines of the qualifying income-based rental
14 subsidy program.

15 "Qualifying income-based rental subsidy program" means a
16 Housing Choice Voucher issued by a housing authority under
17 Section 8 of the United States Housing Act of 1937, a tenant
18 voucher converted to a project-based voucher by a housing
19 authority or any other program administered or funded by a
20 housing authority, the Illinois Housing Development Authority,
21 another State agency, a federal agency, or a unit of local
22 government where participation is limited to households with
23 incomes at or below the maximum income limits as defined in
24 this Section and the tenants' portion of the rent payment is
25 based on a percentage of their income or a flat amount that
26 does not exceed the maximum rent as defined in this Section.

1 "Qualifying rehabilitation" means, at a minimum,
2 compliance with local building codes and the replacement or
3 renovation of at least 2 primary building systems to be
4 approved for the reduced valuation under paragraph (1) of
5 subsection (d) of this Section and at least 5 primary building
6 systems to be approved for the reduced valuation under
7 subsection (e) of this Section. Although the cost of each
8 primary building system may vary, to be approved for the
9 reduced valuation under paragraph (1) of subsection (d) of
10 this Section, the combined expenditure for making the building
11 compliant with local codes and replacing primary building
12 systems must be at least \$8 per square foot for work completed
13 between January 1 of the year in which this amendatory Act of
14 the 102nd General Assembly takes effect and December 31 of the
15 year in which this amendatory Act of the 102nd General
16 Assembly takes effect and, in subsequent years, \$8 adjusted by
17 the Consumer Price Index for All Urban Consumers, as published
18 annually by the U.S. Department of Labor. To be approved for
19 the reduced valuation under paragraph (2) of subsection (d) of
20 this Section, the combined expenditure for making the building
21 compliant with local codes and replacing primary building
22 systems must be at least \$12.50 per square foot for work
23 completed between January 1 of the year in which this
24 amendatory Act of the 102nd General Assembly takes effect and
25 December 31 of the year in which this amendatory Act of the
26 102nd General Assembly takes effect, and in subsequent years,

1 \$12.50 adjusted by the Consumer Price Index for All Urban
2 Consumers, as published annually by the U.S. Department of
3 Labor. To be approved for the reduced valuation under
4 subsection (e) of this Section, the combined expenditure for
5 making the building compliant with local codes and replacing
6 primary building systems must be at least \$60 per square foot
7 for work completed between January 1 of the year that this
8 amendatory Act of the 102nd General Assembly becomes effective
9 and December 31 of the year that this amendatory Act of the
10 102nd General Assembly becomes effective and, in subsequent
11 years, \$60 adjusted by the Consumer Price Index for All Urban
12 Consumers, as published annually by the U.S. Department of
13 Labor. "Primary building systems", together with their related
14 rehabilitations, specifically approved for this program are:

15 (1) Electrical. All electrical work must comply with
16 applicable codes; it may consist of a combination of any
17 of the following alternatives:

18 (A) installing individual equipment and appliance
19 branch circuits as required by code (the minimum being
20 a kitchen appliance branch circuit);

21 (B) installing a new emergency service, including
22 emergency lighting with all associated conduits and
23 wiring;

24 (C) rewiring all existing feeder conduits ("home
25 runs") from the main switchgear to apartment area
26 distribution panels;

1 (D) installing new in-wall conduits for
2 receptacles, switches, appliances, equipment, and
3 fixtures;

4 (E) replacing power wiring for receptacles,
5 switches, appliances, equipment, and fixtures;

6 (F) installing new light fixtures throughout the
7 building including closets and central areas;

8 (G) replacing, adding, or doing work as necessary
9 to bring all receptacles, switches, and other
10 electrical devices into code compliance;

11 (H) installing a new main service, including
12 conduit, cables into the building, and main disconnect
13 switch; and

14 (I) installing new distribution panels, including
15 all panel wiring, terminals, circuit breakers, and all
16 other panel devices.

17 (2) Heating. All heating work must comply with
18 applicable codes; it may consist of a combination of any
19 of the following alternatives:

20 (A) installing a new system to replace one of the
21 following heat distribution systems:

22 (i) piping and heat radiating units, including
23 new main line venting and radiator venting; or

24 (ii) duct work, diffusers, and cold air
25 returns; or

26 (iii) any other type of existing heat

1 distribution and radiation/diffusion components;

2 or

3 (B) installing a new system to replace one of the
4 following heat generating units:

5 (i) hot water/steam boiler;

6 (ii) gas furnace; or

7 (iii) any other type of existing heat
8 generating unit.

9 (3) Plumbing. All plumbing work must comply with
10 applicable codes. Replace all or a part of the in-wall
11 supply and waste plumbing; however, main supply risers,
12 waste stacks and vents, and code-conforming waste lines
13 need not be replaced.

14 (4) Roofing. All roofing work must comply with
15 applicable codes; it may consist of either of the
16 following alternatives, separately or in combination:

17 (A) replacing all rotted roof decks and
18 insulation; or

19 (B) replacing or repairing leaking roof membranes
20 (10% is the suggested minimum replacement of
21 membrane); restoration of the entire roof is an
22 acceptable substitute for membrane replacement.

23 (5) Exterior doors and windows. Replace the exterior
24 doors and windows. Renovation of ornate entry doors is an
25 acceptable substitute for replacement.

26 (6) Floors, walls, and ceilings. Finishes must be

1 replaced or covered over with new material. Acceptable
2 replacement or covering materials are as follows:

3 (A) floors must have new carpeting, vinyl tile,
4 ceramic, refurbished wood finish, or a similar
5 substitute;

6 (B) walls must have new drywall, including joint
7 taping and painting; or

8 (C) new ceilings must be either drywall, suspended
9 type, or a similar material.

10 (7) Exterior walls.

11 (A) replace loose or crumbling mortar and masonry
12 with new material;

13 (B) replace or paint wall siding and trim as
14 needed;

15 (C) bring porches and balconies to a sound
16 condition; or

17 (D) any combination of (A), (B), and (C).

18 (8) Elevators. Where applicable, at least 4 of the
19 following 7 alternatives must be accomplished:

20 (A) replace or rebuild the machine room controls
21 and refurbish the elevator machine (or equivalent
22 mechanisms in the case of hydraulic elevators);

23 (B) replace hoistway electro-mechanical items
24 including: ropes, switches, limits, buffers, levelers,
25 and deflector sheaves (or equivalent mechanisms in the
26 case of hydraulic elevators);

1 (C) replace hoistway wiring;

2 (D) replace door operators and linkage;

3 (E) replace door panels at each opening;

4 (F) replace hall stations, car stations, and
5 signal fixtures; or

6 (G) rebuild the car shell and refinish the
7 interior.

8 (9) Health and safety.

9 (A) Install or replace fire suppression systems;

10 (B) install or replace security systems; or

11 (C) environmental remediation of lead-based paint,
12 asbestos, leaking underground storage tanks, or radon.

13 (10) Energy conservation improvements undertaken to
14 limit the amount of solar energy absorbed by a building's
15 roof or to reduce energy use for the property, including,
16 but not limited to, any of the following activities:

17 (A) installing or replacing reflective roof
18 coatings (flat roofs);

19 (B) installing or replacing R-49 roof insulation;

20 (C) installing or replacing R-19 perimeter wall
21 insulation;

22 (D) installing or replacing insulated entry doors;

23 (E) installing or replacing Low E, insulated
24 windows;

25 (F) installing or replacing WaterSense labeled
26 plumbing fixtures;

1 (G) installing or replacing 90% or better sealed
2 combustion heating systems;

3 (H) installing Energy Star hot water heaters;

4 (I) installing or replacing mechanical ventilation
5 to exterior for kitchens and baths;

6 (J) installing or replacing Energy Star
7 appliances;

8 (K) installing or replacing Energy Star certified
9 lighting in common areas; or

10 (L) installing or replacing grading and
11 landscaping to promote on-site water retention if the
12 retained water is used to replace water that is
13 provided from a municipal source.

14 (11) Accessibility improvements. All accessibility
15 improvements must comply with applicable codes. An owner
16 may make accessibility improvements to residential real
17 property to increase access for people with disabilities.
18 As used in this paragraph (11), "disability" has the
19 meaning given to that term in the Illinois Human Rights
20 Act. As used in this paragraph (11), "accessibility
21 improvements" means a home modification listed under the
22 Home Services Program administered by the Department of
23 Human Services (Part 686 of Title 89 of the Illinois
24 Administrative Code) including, but not limited to:
25 installation of ramps, grab bars, or wheelchair lifts;
26 widening doorways or hallways; re-configuring rooms and

1 closets; and any other changes to enhance the independence
2 of people with disabilities.

3 (12) Any applicant who has purchased the property in
4 an arm's length transaction not more than 90 days before
5 applying for this reduced valuation may use the cost of
6 rehabilitation or repairs required by documented code
7 violations, up to a maximum of \$2 per square foot, to meet
8 the qualifying rehabilitation requirements.

9 Section 925. The Affordable Housing Planning and Appeal
10 Act is amended by changing Sections 15, 25, and 50 and by
11 adding Section 70 as follows:

12 (310 ILCS 67/15)

13 Sec. 15. Definitions. As used in this Act:

14 "Affordable housing" means housing that has a value or
15 cost or rental amount that is within the means of a household
16 that may occupy moderate-income or low-income housing. In the
17 case of owner-occupied dwelling units, housing that is
18 affordable means housing in which mortgage, amortization,
19 taxes, insurance, and condominium or association fees, if any,
20 constitute no more than 30% of the gross annual household
21 income for a household of the size that may occupy the unit. In
22 the case of dwelling units for rent, housing that is
23 affordable means housing for which the rent, any required
24 parking, maintenance, landlord-imposed fees, and utilities

1 constitute no more than 30% of the gross annual household
2 income for a household of the size that may occupy the unit.

3 "Affordable housing developer" means a nonprofit entity,
4 limited equity cooperative or public agency, or private
5 individual, firm, corporation, or other entity seeking to
6 build an affordable housing development.

7 "Affordable housing development" means (i) any housing
8 that is subsidized by the federal or State government or (ii)
9 any housing in which at least 20% of the dwelling units are
10 subject to covenants or restrictions that require that the
11 dwelling units be sold or rented at prices that preserve them
12 as affordable housing for a period of at least 15 years, in the
13 case of owner-occupied housing, and at least 30 years, in the
14 case of rental housing.

15 "Approving authority" means the governing body of the
16 county or municipality.

17 "Area median household income" means the median household
18 income adjusted for family size for applicable income limit
19 areas as determined annually by the federal Department of
20 Housing and Urban Development under Section 8 of the United
21 States Housing Act of 1937.

22 "Community land trust" means a private, not-for-profit
23 corporation organized exclusively for charitable, cultural,
24 and other purposes and created to acquire and own land for the
25 benefit of the local government, including the creation and
26 preservation of affordable housing.

1 "Development" means any building, construction,
2 renovation, or excavation or any material change in any
3 structure or land, or change in the use of such structure or
4 land, that results in a net increase in the number of dwelling
5 units in a structure or on a parcel of land by more than one
6 dwelling unit.

7 "Exempt local government" means any local government in
8 which at least 10% of its total year-round housing units are
9 affordable, as determined by the Illinois Housing Development
10 Authority pursuant to Section 20 of this Act; or any
11 municipality under 1,000 population.

12 "Household" means the person or persons occupying a
13 dwelling unit.

14 "Housing trust fund" means a separate fund, either within
15 a local government or between local governments pursuant to
16 intergovernmental agreement, established solely for the
17 purposes authorized in subsection (d) of Section 25,
18 including, without limitation, the holding and disbursing of
19 financial resources to address the affordable housing needs of
20 individuals or households that may occupy low-income or
21 moderate-income housing.

22 "Local government" means a county or municipality.

23 "Low-income housing" means housing that is affordable,
24 according to the federal Department of Housing and Urban
25 Development, for either home ownership or rental, and that is
26 occupied, reserved, or marketed for occupancy by households

1 with a gross household income that does not exceed 50% of the
2 area median household income.

3 "Moderate-income housing" means housing that is
4 affordable, according to the federal Department of Housing and
5 Urban Development, for either home ownership or rental, and
6 that is occupied, reserved, or marketed for occupancy by
7 households with a gross household income that is greater than
8 50% but does not exceed 80% of the area median household
9 income.

10 "Non-appealable local government requirements" means all
11 essential requirements that protect the public health and
12 safety, including any local building, electrical, fire, or
13 plumbing code requirements or those requirements that are
14 critical to the protection or preservation of the environment.
15 (Source: P.A. 98-287, eff. 8-9-13.)

16 (310 ILCS 67/25)

17 Sec. 25. Affordable housing plan.

18 (a) Prior to April 1, 2005, all non-exempt local
19 governments must approve an affordable housing plan. Any local
20 government that is determined by the Illinois Housing
21 Development Authority under Section 20 to be non-exempt for
22 the first time based on the recalculation of U.S. Census
23 Bureau data after 2010 shall have 18 months from the date of
24 notification of its non-exempt status to approve an affordable
25 housing plan under this Act. On and after the effective date of

1 this amendatory Act of the 102nd General Assembly, an
2 affordable housing plan, or any revision thereof, shall not be
3 adopted by a non-exempt local government until notice and
4 opportunity for public hearing have first been afforded.

5 (b) For the purposes of this Act, the affordable housing
6 plan shall consist of at least the following:

7 (i) a statement of the total number of affordable
8 housing units that are necessary to exempt the local
9 government from the operation of this Act as defined in
10 Section 15 and Section 20;

11 (ii) an identification of lands within the
12 jurisdiction that are most appropriate for the
13 construction of affordable housing and of existing
14 structures most appropriate for conversion to, or
15 rehabilitation for, affordable housing, including a
16 consideration of lands and structures of developers who
17 have expressed a commitment to provide affordable housing
18 and lands and structures that are publicly or
19 semi-publicly owned;

20 (iii) incentives that local governments may provide
21 for the purpose of attracting affordable housing to their
22 jurisdiction; and

23 (iv) a goal of a minimum of 15% of all new development
24 or redevelopment within the local government that would be
25 defined as affordable housing in this Act; or a minimum of
26 a 3 percentage point increase in the overall percentage of

1 affordable housing within its jurisdiction, as described
2 in subsection (b) of Section 20 of this Act; or a minimum
3 of a total of 10% affordable housing within its
4 jurisdiction as described in subsection (b) of Section 20
5 of this Act. These goals may be met, in whole or in part,
6 through the creation of affordable housing units under
7 intergovernmental agreements as described in subsection
8 (e) of this Section.

9 (c) Within 60 days after the adoption of an affordable
10 housing plan or revisions to its affordable housing plan, the
11 local government must submit a copy of that plan to the
12 Illinois Housing Development Authority.

13 (d) In order to promote the goals of this Act and to
14 maximize the creation, establishment, or preservation of
15 affordable housing throughout the State of Illinois, a local
16 government, whether exempt or non-exempt under this Act, may
17 adopt the following measures to address the need for
18 affordable housing:

19 (1) Local governments may individually or jointly
20 create or participate in a housing trust fund or otherwise
21 provide funding or support for the purpose of supporting
22 affordable housing, including, without limitation, to
23 support the following affordable housing activities:

24 (A) Housing production, including, without
25 limitation, new construction, rehabilitation, and
26 adaptive re-use.

1 (B) Acquisition, including, without limitation,
2 land, single-family homes, multi-unit buildings, and
3 other existing structures that may be used in whole or
4 in part for residential use.

5 (C) Rental payment assistance.

6 (D) Home-ownership purchase assistance.

7 (E) Preservation of existing affordable housing.

8 (F) Weatherization.

9 (G) Emergency repairs.

10 (H) Housing related support services, including
11 homeownership education and financial counseling.

12 (I) Grants or loans to not-for-profit
13 organizations engaged in addressing the affordable
14 housing needs of low-income and moderate-income
15 households.

16 Local governments may authorize housing trust funds to
17 accept and utilize funds, property, and other resources
18 from all proper and lawful public and private sources so
19 long as those funds are used solely for addressing the
20 affordable housing needs of individuals or households that
21 may occupy low-income or moderate-income housing.

22 (2) A local government may create a community land
23 trust, which may: acquire developed or undeveloped
24 interests in real property and hold them for affordable
25 housing purposes; convey such interests under long-term
26 leases, including ground leases; convey such interests for

1 affordable housing purposes; and retain an option to
2 reacquire any such real property interests at a price
3 determined by a formula ensuring that such interests may
4 be utilized for affordable housing purposes.

5 (3) A local government may use its zoning powers to
6 require the creation and preservation of affordable
7 housing as authorized under Section 5-12001 of the
8 Counties Code and Section 11-13-1 of the Illinois
9 Municipal Code.

10 (4) A local government may accept donations of money
11 or land for the purpose of addressing the affordable
12 housing needs of individuals or households that may occupy
13 low-income or moderate-income housing. These donations may
14 include, without limitation, donations of money or land
15 from persons, as long as the donations are demonstrably
16 used to preserve, create, or subsidize low-income housing
17 or moderate-income housing within the jurisdiction ~~in lieu~~
18 ~~of building affordable housing.~~

19 (e) In order to encourage regional cooperation and the
20 maximum creation of affordable housing in areas lacking such
21 housing in the State of Illinois, any non-exempt local
22 government may enter into intergovernmental agreements under
23 subsection (e) of Section 25 with local governments within 10
24 miles of its corporate boundaries in order to create
25 affordable housing units to meet the goals of this Act. A
26 non-exempt local government may not enter into an

1 intergovernmental agreement, however, with any local
2 government that contains more than 25% affordable housing as
3 determined under Section 20 of this Act. All intergovernmental
4 agreements entered into to create affordable housing units to
5 meet the goals of this Act must also specify the basis for
6 determining how many of the affordable housing units created
7 will be credited to each local government participating in the
8 agreement for purposes of complying with this Act. All
9 intergovernmental agreements entered into to create affordable
10 housing units to meet the goals of this Act must also specify
11 the anticipated number of newly created affordable housing
12 units that are to be credited to each local government
13 participating in the agreement for purposes of complying with
14 this Act. In specifying how many affordable housing units will
15 be credited to each local government, the same affordable
16 housing unit may not be counted by more than one local
17 government.

18 (f) To enforce compliance with the provisions of this
19 Section, and to encourage local governments to submit their
20 affordable housing plans to the Illinois Housing Development
21 Authority in a timely manner, the Illinois Housing Development
22 Authority shall notify any local government and may notify the
23 Office of the Attorney General that the local government is in
24 violation of State law if the Illinois Housing Development
25 Authority finds that the affordable housing plan submitted is
26 not in substantial compliance with this Section or that the

1 local government failed to submit an affordable housing plan.
2 The Attorney General may enforce this provision of the Act by
3 an action for mandamus or injunction or by means of other
4 appropriate relief.

5 (Source: P.A. 98-287, eff. 8-9-13.)

6 (310 ILCS 67/50)

7 Sec. 50. Housing Appeals Board.

8 (a) Prior to January 1, 2008, a Housing Appeals Board
9 shall be created consisting of 7 members appointed by the
10 Governor as follows:

11 (1) a retired circuit judge or retired appellate
12 judge, who shall act as chairperson;

13 (2) a zoning board of appeals member;

14 (3) a planning board member;

15 (4) a mayor or municipal council or board member;

16 (5) a county board member;

17 (6) an affordable housing developer; and

18 (7) an affordable housing advocate.

19 In addition, the Chairman of the Illinois Housing
20 Development Authority, ex officio, shall serve as a non-voting
21 member. No more than 4 of the appointed members may be from the
22 same political party. Appointments under items (2), (3), and
23 (4) shall be from local governments that are not exempt under
24 this Act.

25 (b) Initial terms of 4 members designated by the Governor

1 shall be for 2 years. Initial terms of 3 members designated by
2 the Governor shall be for one year. Thereafter, members shall
3 be appointed for terms of 2 years. After a member's term
4 expires, the member shall continue to serve until a successor
5 is appointed. There shall be no limit to the number of terms an
6 appointee may serve. A member shall receive no compensation
7 for his or her services, but shall be reimbursed by the State
8 for all reasonable expenses actually and necessarily incurred
9 in the performance of his or her official duties. The board
10 shall hear all petitions for review filed under this Act and
11 shall conduct all hearings in accordance with the rules and
12 regulations established by the chairperson. The Illinois
13 Housing Development Authority shall provide space and clerical
14 and other assistance that the Board may require.

15 (c) (Blank).

16 (d) To the extent possible, any vacancies in the Housing
17 Appeals Board shall be filled within 90 days of the vacancy.

18 (Source: P.A. 98-287, eff. 8-9-13.)

19 (310 ILCS 67/70 new)

20 Sec. 70. Home rule application. Unless otherwise provided
21 under this Act or otherwise in accordance with State law, a
22 unit of local government, including a home rule unit, or any
23 non-home rule county within the unincorporated territory of
24 the county, may not regulate the activities described in this
25 Act in a manner more restrictive than the regulation of those

1 activities by the State under this Act. This Section is a
2 limitation under subsection (i) of Section 6 of Article VII of
3 the Illinois Constitution on the concurrent exercise by home
4 rule units of powers and functions exercised by the State.

5 Section 999. Effective date. This Act takes effect upon
6 becoming law.".